



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
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**SEPTEMBER REVENUES**

NASHVILLE – State revenue collections for September were \$976.7 million, or 8.2% below September 2007 collections.

"September is the second consecutive month in which sales taxes and corporate income taxes have shown negative growth rates," Finance and Administration Commissioner Dave Goetz said. "We are disappointed, but we'll continue to monitor expenditures very closely, as we are determined to keep the state's budget in balance for the duration of current national conditions."

"We've seen economic conditions deteriorate since November of 2007, as collections have come in under the budgeted estimate for the past ten consecutive months."

On an accrual basis, September is the second month in the 2008-2009 fiscal year.

September collections were \$85.5 million less than the budgeted estimate. The general fund was under collected by \$78.1 million and the four other funds were under collected by \$7.4 million.

Sales tax collections were \$29.1 million less than the estimate for September. The September growth rate was negative 3.42%.

Franchise and excise taxes combined were \$44.9 million below the September budgeted estimate of \$288.4 million. The September growth rate was negative 17.35%.

Gasoline and motor fuel collections for September decreased by 11.79% and they were \$7.0 million below the budgeted estimate of \$75.8 million.

Tobacco tax collections for the month were over collected by \$1.6 million, and they were \$6.7 million over September 2007 collections.

Inheritance and Estate tax collections were \$200,000 under the budgeted estimate. All other taxes were under collected by a net of \$5.9 million.

Year-to date collections for two months were \$141.9 million less than the budgeted estimate. The general fund was under collected by \$128.2 million and the four other funds were under collected by \$13.7 million.

The budgeted revenue estimates for 2008-2009 are based on the State Funding Board's consensus recommendation adopted by the second session of the 105<sup>th</sup> General Assembly in May of 2008.

**SEPTEMBER, 2008, AND  
2 MONTHS YEAR-TO-DATE**

**REVENUE COLLECTIONS**

**September Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>
General Fund	\$908,684,000	\$830,580,000
Highway Fund	60,471,000	58,277,000
Sinking Fund	26,254,000	26,021,000
City & County Fund	65,918,000	60,970,000
Earmarked Fund	893,000	892,000
<b>Total</b>	<b>\$1,062,220,000</b>	<b>\$976,740,000</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>
General Fund	\$1,587,455,000	\$1,459,272,000
Highway Fund	118,943,000	112,776,000
Sinking Fund	52,553,000	52,133,000
City & County Fund	129,152,000	121,976,000
Earmarked Fund	1,784,000	1,783,000
<b>Total</b>	<b>\$1,889,887,000</b>	<b>\$1,747,940,000</b>

**Table 1**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	September			
	2007	2008	Change	Percent
Franchise & Excise	\$294,664,000	\$243,529,000	(\$51,135,000)	- 17.35%
Income	1,334,000	1,863,000	529,000	39.66%
Inheritance & Estate	7,563,000	6,821,000	(742,000)	- 9.81%
Gasoline	56,054,000	51,142,000	(4,912,000)	- 8.76%
Petroleum Special	5,988,000	5,294,000	(694,000)	- 11.59%
Tobacco	20,606,000	27,320,000	6,714,000	32.58%
Beer	1,735,000	1,604,000	(131,000)	- 7.55%
Motor Vehicle				
Registration	19,777,000	19,909,000	132,000	0.67%
Motor Vehicle Title	856,000	946,000	90,000	10.51%
Mixed Drink	4,453,000	4,598,000	145,000	3.26%
Business	3,363,000	3,084,000	(279,000)	- 8.30%
Privilege	25,272,000	19,432,000	(5,840,000)	- 23.11%
Gross Receipts	145,000	30,000	(115,000)	- 79.31%
TVA - In Lieu of Tax				
Payments	29,102,000	20,943,000	(8,159,000)	- 28.04%
Alcoholic Beverage	3,574,000	3,779,000	205,000	5.74%
Sales and Use	573,246,000	553,627,000	(19,619,000)	- 3.42%
Motor Vehicle Fuel	15,932,000	12,344,000	(3,588,000)	- 22.52%
Severance	179,000	330,000	151,000	84.36%
Coin-operated				
Amusement	7,000	13,000	6,000	85.71%
Unauthorized Substance	202,000	132,000	(70,000)	- 34.65%
Total	\$1,064,052,000	\$976,740,000	(\$87,312,000)	- 8.21%

**Table 2**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	August - September		Change	Percent
	2007-2008	2008-2009		
Franchise & Excise	\$339,229,000	\$259,071,000	(\$80,158,000)	- 23.63%
Income	2,906,000	3,360,000	454,000	15.62%
Inheritance & Estate	16,857,000	15,130,000	(1,727,000)	- 10.25%
Gasoline	108,127,000	100,692,000	(7,435,000)	- 6.88%
Petroleum Special	11,418,000	10,537,000	(881,000)	- 7.72%
Tobacco	38,393,000	52,137,000	13,744,000	35.80%
Beer	3,635,000	3,294,000	(341,000)	- 9.38%
Motor Vehicle Registration	40,616,000	38,869,000	(1,747,000)	- 4.30%
Motor Vehicle Title	1,881,000	1,869,000	(12,000)	- 0.64%
Mixed Drink	8,917,000	8,998,000	81,000	0.91%
Business	4,906,000	4,953,000	47,000	0.96%
Privilege	51,042,000	36,087,000	(14,955,000)	- 29.30%
Gross Receipts	13,912,000	18,788,000	4,876,000	35.05%
TVA - In Lieu of Tax				
Payments	50,217,000	42,955,000	(7,262,000)	- 14.46%
Alcoholic Beverage	6,675,000	7,170,000	495,000	7.42%
Sales and Use	1,145,098,000	1,118,207,000	(26,891,000)	- 2.35%
Motor Vehicle Fuel	28,688,000	24,862,000	(3,826,000)	- 13.34%
Severance	364,000	624,000	260,000	71.43%
Coin-operated Amusement	33,000	47,000	14,000	42.42%
Unauthorized Substance	384,000	290,000	(94,000)	- 24.48%
<b>Total</b>	<b>\$1,873,298,000</b>	<b>\$1,747,940,000</b>	<b>(\$125,358,000)</b>	<b>- 6.69%</b>

**Table 3**  
**August-September Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (50,300,000)	\$ (100,000)	\$ (50,400,000)
Income Tax	200,000	100,000	300,000
Inheritance Tax	900,000	0	900,000
Privilege Tax	(6,100,000)	0	(6,100,000)
Business Tax	300,000	0	300,000
TVA	(2,300,000)	(1,800,000)	(4,100,000)
Gross Receipts	1,700,000	0	1,700,000
Gasoline & Motor Fuel Taxes	(500,000)	(10,500,000)	(11,000,000)
Motor Vehicle Registration	(500,000)	(1,300,000)	(1,800,000)
Other Taxes	(1,100,000)	(100,000)	(1,200,000)
Tobacco	(1,100,000)	0	(1,100,000)
Beer	(100,000)	(100,000)	(200,000)
Motor Vehicle Title	(100,000)	(100,000)	(200,000)
Mixed Drink	(200,000)	(200,000)	(400,000)
Alcoholic Beverage	300,000	100,000	400,000
Severance	100,000	200,000	300,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	0	0	0
<b>Sub-Total</b>	<b><u>\$ (57,700,000)</u></b>	<b><u>\$ (13,700,000)</u></b>	<b><u>\$ (71,400,000)</u></b>
F & E Taxes	<u>(70,500,000)</u>	<u>0</u>	<u>(70,500,000)</u>
<b>Total</b>	<b><u>\$ (128,200,000)</u></b>	<b><u>\$ (13,700,000)</u></b>	<b><u>\$ (141,900,000)</u></b>